

fees and taxes associated; and I just think it is important that we reflect on this.

We heard earlier about financial literacy. Yes, we have an issue with credit card debt, for example. But I think that it would serve us well to make sure that for consumers and citizens of all kinds, that we teach them about the tax burden, tax freedom day, and not just paying taxes by April 15th or 16th, but more so what it might mean to take some of those dollars paid in taxes and perhaps invest those.

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And it is interesting, as we look at our economy in general, what available capital means to a business, to an individual.

I am inspired to hear of individuals who wish to start a business but for the available capital. When we look at what available capital can do in a house, whether it is a project around the house or whether it's a small business incubating, I think that we should look at various ways we can avail capital to our citizens, primarily through tax relief.

It is absolutely vital that we always keep this in mind, especially as we constantly need to look at growing our economy. And that it is not just coincidence, as some might suggest, that tax relief actually led to job creation and increased revenues to the Federal Government. I don't believe that that's just coincidence. I believe that that is through fashioning good tax policy and allowing individuals, individual taxpayers, to keep more of what they earn because when they spend those dollars, they spend them more wisely, and those dollars are leveraged into actually greater Federal revenue so that we can provide for those who cannot provide for themselves.

Ms. FOXX. I want to thank my colleague. He is in his first term in Congress, but he speaks very, very eloquently of this issue and other issues. I am very grateful to him for his sharing his concerns and his perspective on this.

As I said earlier, when people ask me what is the difference between a Democrat and a Republican, I say, well, Republicans think that you should keep more of your money and spend it and take care of yourself; and Democrats want to take more of your money away from you and give it to the government. And let me give you an example of what is happening. I don't have to just talk about that in the abstract; I can talk about it in concrete terms.

The tax decreases that were put through by a Republican Congress and advocated by a Republican President are due to expire in 2010 because of the rules of the Senate, which would not allow those tax cuts to be made permanent. Now, 2 weeks ago, the Democrats, who are now in a majority here in the House, and our Constitution requires that spending bills and budget bills have to begin in the House, they passed

their budget. It passed, and it assumes that the 2001/2003 tax cuts will expire. The effect of that will be to impose the largest tax increase in American history, nearly \$400 billion over 5 years, mainly to finance their immense new spending. And as my colleague from Nebraska said, we have to be very much concerned about the long term, and we are concerned about the long term.

Now, if the Republican tax relief is not extended, what happens when the clock strikes midnight on December 31, 2010? Well, here's what happens: the tax rates are going to go higher. In 2010, the top income tax rate will be 35 percent. The Democrats propose that that tax rate goes to 39.6 percent in 2011. The capital gains tax, 15 percent in 2010, 20 percent immediately thereafter. The tax on dividends, from 15 percent to 39.6 percent. The death tax: the death tax has been gradually going down since the tax cuts of 2001/2003. In the year 2010, the death tax will be zero. In 2011, it goes back to 55 percent.

I am particularly offended by the death tax, and I think most Americans are. It is probably the third time that that same income is going to be taxed when you impose a death tax, because we are paying taxes on our income, if you have an opportunity to invest any of that money you are going to pay capital gains tax on it, and then you are going to pay 55 percent on whatever is left over. Again, I think it is a particularly offensive tax to most Americans.

But how do the Democrats, who talk so much about the value of children, act about the child tax credit? The child tax credit went to \$1,000 under the tax cuts of 2001/2003. It will be cut back to \$500. We all know that you can't raise children even on \$1,000 as a tax credit, let alone on \$500.

The lowest tax bracket, hurting the lowest income people in our country, and Democrats say that they stand for the little people and they want to help the low-income people in this country, but what they propose to do is take the taxes on the lowest income people in our country and go from 10 percent to 15 percent. I think, again, that is an abomination. Why in the world do we want to burden those folks who are making the lowest income in this country?

Another part of the problem that we have in this country is the fact that our Tax Code is so complicated. We believe now that more than 60 percent of tax returns are prepared by a professional. If you add the number of Americans who use computer tax software to file a return, the proportion of people who seek outside help rises to 90 percent. We shouldn't live in a country where the Tax Code is so complicated that the average American citizen cannot complete his or her income tax forms.

The Office of Management and Budget estimates that we spend about 6.4 billion hours, and we did in 2006, com-

plying with the Federal Tax Code. That many hours is the equivalent of a 40-hour work week for every employed person in America. Take your pick: do your taxes or go on a week-long vacation.

While the tax cuts of 2001 and 2003 have lowered taxes across the board and encouraged investments that lead to job creation, we are still saddled with an incomprehensible Tax Code that costs more than \$265 billion a year to comply with.

As a supporter of the Taxpayer Bill of Rights, I pledge to work towards scrapping the Tax Code in order to build a new one that promotes transparency and common sense. By signing on to the Taxpayer Bill of Rights, I have also promised to work to balance the budget, to exercise the fiscal discipline needed to rein in the growth of the Federal Government, and to protect the Social Security trust fund from congressional raiding.

Let me say something about Social Security here, even though we're talking about taxes today.

Many people don't understand the origin of the Social Security fund. After the Depression, President Roosevelt was desperate to raise money for the social programs that he wanted to institute in this country, but he knew that if he wanted to raise taxes that would raise a howl and cry among the people. At that time, 1936/1937, the average life expectancy of Americans was 59 years. People still weren't living very long in this country. We had come a long way from the early part of the century, but still life expectancy was only 59 years of age. So they came up with a scheme to take money away from Americans and have it available to spend on social programs, and they came up with a Social Security fund. It was for every American to pay a small amount. It was designed to provide a retirement income, or at least that is the way it was sold to the American people. But what most people didn't realize again at the time, the life expectancy was 59 years of age. And when did they set Social Security up to be redeemed? Age 65. The idea was that they would take in a lot of money to develop the programs that they wanted to develop, and that very few people would ever draw on Social Security for their retirement. So that's why the average age was set at 65, way beyond the average life expectancy for Americans at the time.

And immediately the money was going into other programs other than into what most Americans thought would happen, which was a fund to pay for Social Security. That has continued to the present time under both Democrats and, I am sorry to say, under Republicans. Rather than putting that money into a special fund and leaving it alone just to pay for Social Security, most of that money is going into paying for government programs, and those programs have become dependent on that Social Security money, which